

## **AGENCY MEMBERS PRESENT**

Gene Caldwell, M.D., Chairman  
Charles Handorf, M.D.  
Gregory Lammert  
Peggy Troy  
E. Conrad Shackelford, M.D., designee for the TennCare Director  
Paula Flowers, Commissioner of Commerce and Insurance  
Faye Weaver, designee for the Comptroller of the Treasury

## **AGENCY MEMBERS ABSENT**

Carl Koella, III, Vice Chair  
Bryan Atchley

## **AGENCY STAFF PRESENT**

Melanie Hill, Executive Director  
Reid Brogden, General Counsel  
Jim Christoffersen, Deputy General Counsel  
Rhonda Blair, Office Manager  
Melissa Bobbitt, Administrative Services Assistant II  
Pam Holliman, Administrative Assistant I  
Jeff Grimm, Health Planner III  
Phil Wells, Health Planner III

## **GUESTS PRESENT**

Anderson, Kenneth M.D., University Medical Center  
Benton, Tony, Asst. VP, Strategic Planning, MSHA  
Blankenship, Myra D., Wellmont Home Care Services  
Brown, Dere, NHC  
Childs, Edwin L.  
Collier, David, M.D., Associate Director of TennCare  
Cober, Karen, Administrator, Medical Center Home Care Services  
Corritore, Danell, Department of Health  
Cowden, Jacqueline, CEO, Custom Packaging, Inc.  
Craft, Lucie  
Crawford, Mark, CEO, University Medical Center  
Cross, Alix, Esq., Harwell, Howard, Hyne, Gabbert & Manner  
Culp, Joe, Department of Health  
Dake, Judy, Woods Memorial Hospital  
Deardorff, Clay, Horizon Health  
Dedick, Paul, M.D., ICON Imaging  
Duncan, Bruce, NHC  
Eaton, Harvill, President, Cumberland University  
Elrod, Dan H., Esq., Miller & Martin  
Eubanks, Buford, Dir. Employee Benefits, Genesco  
Gooch, Warren L., Esq., Kramer, Rayson, Leake, Rodgers & Morgan  
Grace, Frank, Esq., Waller, Lansden, Dortch & Davis  
Hawks, Cliff, VP-General Manager, Dover Motorsports  
Helton, Peggy, Interim Healthcare of East Tennessee  
Higginbotham, Danny, Woods Memorial Hospital  
Ireland, Glenn, Director Marketing, Housecall Medical/Adventa  
Looney, Kim H., Esq., Waller, Lansden, Dortch & Davis  
Maynard, Rhonda, CFO, University Medical Center  
Mazzoni, Dean, COO, University Medical Center  
McGillis, Jeannie, Director of Surgery, University Medical Center  
McKinney, Roger, M.D.  
Milan, Kelly B., RHIA, Summit Medical Center  
Penny, Linda, Comptroller's Office

HEALTH SERVICES AND DEVELOPMENT AGENCY

APRIL 27, 2005 MEETING

- PAGE 1 -

Puri, Chris, THCA  
Riley, Craig, M.D., DMI  
Rogers, Allison, Planning Manager, MSHA  
Slack, Kathy, H.R. Specialist, Dura Automotive Systems, Inc  
Southerland, David, Administrator, Woods Memorial Hospital District  
Stanfill, Tim, Summit Medical Center  
Tate, John, M.D.  
Taylor, Jerry W., Esq., Farris, Mathews, Branan, Bobango, Hellen & Dunlap  
Trauger, Byron, Esq., Trauger, Ney & Tuke  
Warren, Larimore, M.D., University Medical Center  
Watters, Brandon, M.D.  
Weems, Janie, RN, Clinical Manager, Wellmont Hawkins County Memorial Hospital  
Wellborn, John L., Development Support Group  
West, William H., Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz  
Whitehorn, Jeff, CEO, Summit Medical Center,

**Chairman Caldwell called the meeting to order at 8:40 a.m. in the Main Auditorium of the Bell South Tower, Nashville, Tennessee.**

### **HONORABLE DAVID GOETZ, COMMISSIONER OF FINANCE AND ADMINISTRATION**

Commissioner Goetz made comments regarding TennCare developments and the drafting of a new state health plan; and discussed the Certificate of Need process.

### **DIRECTOR'S ANNOUNCEMENTS**

Melanie Hill, Executive Director, made general announcements. Ms. Hill introduced new Agency staff member Pam Holliman, Administrative Assistant I, and also announced Dr. Shackleford's impending retirement from state government. Dr. David Collier, Associate Director of TennCare, will succeed Dr. Shackleford as the TennCare designee.

The three agenda items deferred to the May meeting due to lack of quorum were: AmeriCare Specialty Hospital of Memphis, No Place Like Home, Inc., and (General Counsel's Report) Intecardia-Tennessee East Diagnostic, LLC. Woods Memorial, being the only project without opposition, was moved to the beginning of the Agenda.

### **CERTIFICATE OF NEED APPLICATIONS**

*Melanie Hill summarized the following CON applications:*

#### **Woods Memorial Hospital District - (Etowah, McMinn County) - Project No. CN0501-003**

The conversion of ten (10) general acute care hospital beds to geriatric psychiatric beds. The new service will be managed by Horizon Mental Health Management. Project Cost \$80,000.00.

Warren Gooch, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Dr. Craig Riley, DMI; Dr. Brandon Watters; David Southerland and Clay Deardorff, Horizon Health. Present in support were: Danny Higginbotham and Judy Dake.

Dr. Handorf moved for approval of the project based on: 1) Need – The need for a community based service is clearly demonstrated; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care as the licenses are in place and the facility is a TennCare participant. The conversion of beds in this project makes it orderly as well. Ms. Weaver seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Shackleford, Flowers, Troy, Lammert, Handorf, Weaver, Caldwell  
NAY: None

**Wilson County Outpatient Surgery Center - (Lebanon, Wilson County) - Project No. CN0412-107**

The establishment of a multi-specialty ambulatory surgical treatment center. The 13,200 square foot facility will have three (3) operating rooms and one (1) procedure room. Project Cost \$11,166,142.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Speaking in support were: Jeff Whitehorn, CEO, Summit Medical Center; Dr. John Tate; Tim Stanfill, Summit Medical Center; Jacqueline Cowden, CEO, Custom Packaging, Inc.; Buford Eubanks, Dir. Employee Benefits, Genesco; Kathy Slack, HR Specialist, Dura Automotive System, Inc; Edwin L. Childs and Lucie Craft, Claims Manager, St. Paul Travelers. Present in support were Kelly B. Milan, RHIA, Summit Medical Center and John Wellborn, Consultant

Dan H. Elrod, Esq., representing University Medical Center ("UMC"); spoke in opposition to the project; Mark Crawford, CEO, UMC; Harvill Eaton, President, Cumberland University; Cliff Hawks, VP-General Manager, Dover Motorsports; Dr. Kenneth Anderson, UMC; Dr. Roger McKinney; Dr. Larimore Warren, UMC; Dean Mazzoni, COO, UMC; Rhonda Maynard, CFO UMC; and Jeannie McGillis, Director of Surgery, UMC were present in opposition to the project.

Mr. Taylor rebutted.

Dr. Handorf moved for denial of the project based on: 1) Need – The need has not been clearly identified in the physicians support and the community's support is lukewarm; 2) Economic Feasibility; and 3) The project would not contribute to the orderly development of health care because it would adversely impact existing providers. Mr. Lammert seconded the motion. The motion CARRIED [5-2-0]. **DENIED**

AYE: Shackelford, Troy, Lammert, Handorf, Caldwell

NAY: Flowers, Weaver

**AmeriCare Specialty Hospital of Memphis - (Memphis, Shelby County) - Project No. CN0411-104**

The establishment of a twenty (20) bed freestanding psychiatric acute geriatric hospital to be licensed by the Department of Mental Health/Development Disabilities. Project Cost \$1,000,000.00.

**DEFERRED TO MAY**

**Mt. Juliet Imaging Center - (Mt. Juliet, Wilson County) - Project No. CN0411-105**

The establishment of an outpatient diagnostic center (ODC), acquisition of a computerized tomography (CT) scanner and imaging equipment. The location of this project will be on Crossings Circle at the corner of Mt. Juliet Road and Adams Lane in Mt. Juliet, Wilson County, Tennessee 37122. Project Cost \$3,397,577.00.

William West, Esq., representing the applicant, addressed the Agency. Dr. Paul Dedick, ICON Imaging spoke on behalf of the project.

Jerry W. Taylor, Esq., representing Summit Medical Center and Hermitage Imaging Center opposed.

Mr. West rebutted.

Commissioner Flowers moved for denial of the project based on: 1) Need – The need has not been demonstrated. Due to the abundance of similar diagnostic centers, and the proximity of those centers, there is not a need for this center; 2) Economic Feasibility – The project's economical feasibility is not an issue; and 3) The project does not contribute to the orderly development of adequate and effective health care given the proximity to similar services, this project would provide a duplication of services. Ms. Weaver seconded the motion. The motion CARRIED [7-0-0]. **DENIED**

AYE: Shackelford, Flowers, Troy, Lammert, Handorf, Weaver, Caldwell

NAY: None

HEALTH SERVICES AND DEVELOPMENT AGENCY

APRIL 27, 2005 MEETING

- PAGE 3 -



### **No Place Like Home, Inc. - (Collierville, Shelby County) - Project No. CN0412-112**

The establishment of a home care organization providing home health services in Shelby, Fayette, Haywood, Hardeman, Tipton, Lauderdale, Madison, Crockett, Dyer and Obion Counties. Project Cost \$111,000.00.

**DEFERRED TO MAY**

### **Medical Center Homecare Services - (Johnson City, Washington County) - Project No. CN0501-001**

The expansion of the home health and hospice service area of an existing home care organization to include Hawkins County. The existing service area includes: Washington, Greene, Carter, Johnson, Sullivan and Unicoi counties. Project Cost \$8,000.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Karen Cober, Administrator, Medical Center Home Care Services spoke on behalf of the project. Tony Benton, Asst. VP, Strategic Planning, MSHA; and Allison Rogers, Planning Manager, MSHA were present in support.

Speaking in opposition to the project were: Byron Trauger, Esq., representing Wellmont Hawkins County Memorial Hospital; Janie Weems, RN, Clinical Manager, Wellmont Hawkins County Memorial Hospital; Alix Cross, Esq., representing Housecall Medical Resources and Adventa Hospice; Glenn Ireland, Director Marketing, Housecall Medical/Adventa; Peggy Helton, Interim Healthcare of East Tennessee. Myra D. Blankenship, Wellmont Home Care Services was present in opposition to the project.

Commissioner Flowers moved for approval of the project based on: 1) Need – The need is based on the high percentage of TennCare patients being treated by this home care service; 2) Economic Feasibility – The project's economical feasibility; and 3) The project does contribute to the orderly development of adequate and effective health care and the need for the addition of Hawkins County to their service area. Dr. Shackelford seconded the motion. The motion FAILED [2-5-0]. **DENIED**

**Reason for vote by member voting in the negative:** Mr. Lammert – There is adequate need in Hawkins County based on testimony heard today from the agencies that are here. Obviously they provide TennCare services. They provide services to the TEIS individuals. This will not contribute to the orderly development of health care as a result and is not necessary.

AYE: Shackelford, Flowers

NAY: Troy, Lammert, Handorf, Weaver, Caldwell

### **GENERAL COUNSEL'S REPORT**

#### **InteCardia-Tennessee East Diagnostic, LLC - (Memphis, Shelby County) - Project No. CN0011-112A**

Modification of Certificate of Need to lift condition limiting positron emission tomography (PET) services to cardiac patients.

**DEFERRED TO MAY**

### **CURRENT REPORTS**

#### **Statistical Reports**

The reports were accepted into the record.

#### **Finance, Ways and Means Committee Reports**

The reports were accepted into the record.

#### **Minutes**

The minutes of the March 23, 2005, meeting were accepted by unanimous voice vote.

HEALTH SERVICES AND DEVELOPMENT AGENCY

APRIL 27, 2005 MEETING

- PAGE 5 -

## **INFORMATION SESSION**

- A. Medical Technology in Tennessee: Capacity Use and Costs – Bill Cecil, Blue Cross and Blue Shield, presented statistical information and charts regarding medical equipment and utilization rates for MRI, PET and CT scanners.
- B. Hospice – Mike Deatrich and Pixie Gormel presented information on services hospice agencies provide to benefit the patient and their families. Services continue with one year bereavement counseling for the family. Also, statistical information was provided concerning the patient/caregiver ratio.

## **ADJOURNMENT**

There being no further business, the meeting adjourned.

---

Melanie M. Hill, Executive Director

MMH/pjh